



Illinois Vehicle Tax Information Guide



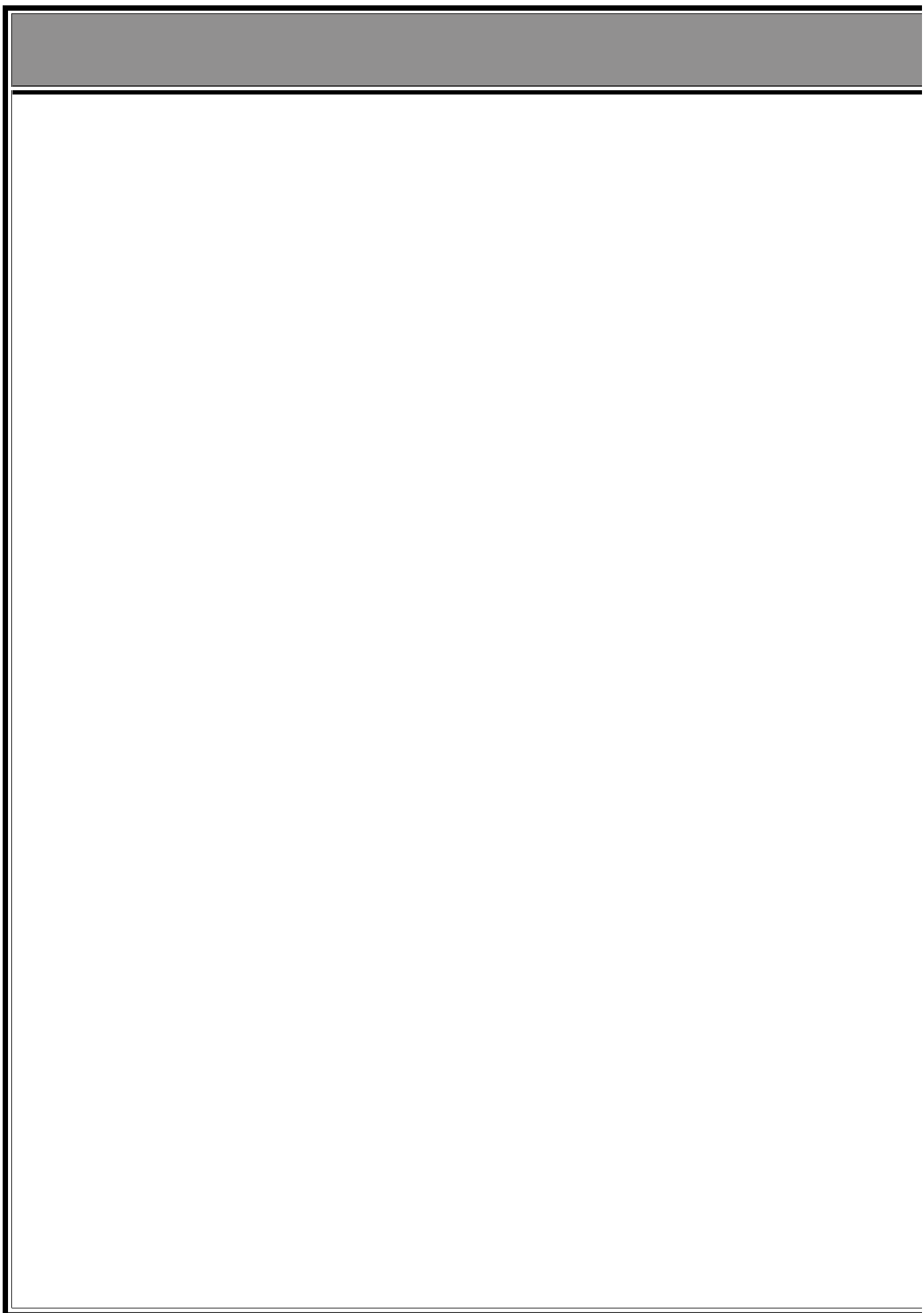


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The Illinois Department of Revenue is pleased to provide you with this reference guide about Illinois vehicle taxes. The information in this guide has been compiled to help you understand and comply with vehicle tax requirements. The contents of this guide are informational only and do not take the place of statutes, rules, or court decisions. For information on receiving binding opinions from the department, see the Illinois Administrative Code, Title 86, Section 130.1001.

In this publication, “vehicle tax” refers to the sales and use taxes that apply to the sale and purchase of items required to be titled and/or registered by an Illinois government agency. The Illinois Department of Revenue is responsible for administering tax. The Illinois government agencies listed below are responsible for processing applications for items required to be titled and/or registered.

- **Office of the Secretary of State**
(car, truck, van, motorcycle, trailer, mobile home, ATV)
- **Illinois Department of Natural Resources**
(watercraft and snowmobile)
- **Illinois Department of Transportation**
(aircraft)

You must submit one of the four tax forms listed below along with the application for title and/or registration to the appropriate agency.

- RUT-25, Use Tax Transaction Return
- RUT-50, Vehicle Use Tax Transaction Return
- RUT-75, Aircraft/Watercraft Use Tax Transaction Return
- ST-556, Sales Tax Transaction Return

The information in this guide will explain which form to file. In addition, this guide includes information about ordering forms, informational bulletins, publications, and where to get help.



Glossary of Terms

The terms defined in this glossary apply in the context of this guide. These definitions do not replace definitions in the Illinois Compiled Statutes or the Illinois Administrative Code.

Aircraft

The term “aircraft” includes airplanes, helicopters, hot-air balloons, gliders, blimps, dirigibles, seaplanes, and anything else defined as “aircraft” by the Federal Aviation Administration.

All-terrain vehicle

An “all-terrain vehicle” (ATV) is defined in the Illinois Vehicle Code as any motorized off-highway device which

- is designed to travel primarily off-highway, and
- is 50 inches or less in width, and
- has a manufacturer’s dry weight of 900 pounds or less, and
- travels on 3 or more low-pressure tires, and
- is designed with a seat or saddle for operator use and handlebars or steering wheel for steering control.

Equipment such as a lawnmower is excluded.

Collar counties

Refers to the counties that border Cook County, which are Du Page, Kane, Lake, McHenry, and Will.

Date of delivery

For Form ST-556, the date the buyer took possession of the item purchased.

Exempt organization

Refers to an organization with an active Illinois sales tax exemption (E) identification number issued by the Illinois Department of Revenue.

Fair market value

The estimated value assigned to an item. If the department questions the amount of the fair market value, we have the authority to make the fair market value determination. In determining the fair market value, the department considers such factors as the year, make, model, and identification number.

Gross vehicle weight rating (GVWR)

The weight identified by the manufacturer or manufacturers as the maximum loaded weight, including passengers and cargo, of a single motor vehicle or trailer (*i.e.*, the maximum loaded weight that it can carry safely).

Leasing

The transfer of possession or right to possession of an item to a person for a valuable consideration. For automobiles, the lease must be for a period of more than one year.

Lessee

The party that takes temporary possession of the item leased.

Lessor

A business engaged in the leasing of items.

Licensed dealer

A person or business that is registered in Illinois to sell items at retail.

Glossary of Terms

Motor vehicle

The term “motor vehicle” is defined in the Illinois Vehicle Code as every vehicle which

- is self-propelled, or
- is propelled by electric power obtained from overhead trolley wires, and
- is not operated upon rails.

Vehicles moved solely by human power and motorized wheelchairs are excluded.

Motor vehicles are divided into two divisions:

First Division: Those motor vehicles which are designed for carrying 10 or less persons.

Second Division: Those motor vehicles which are

- designed for carrying more than 10 persons,
- designed or used for living quarters,
- designed for pulling or carrying freight, cargo or implements of husbandry, and
- First Division motor vehicles remodelled for use and used as Second Division motor vehicles.

Off-site sales

The sales of items made by a dealer at a temporary location other than the normal place of business.

Penalty and interest

You will owe a

- **late-filing penalty** if you do not file a processable return by the due date or you file a return that we cannot process and you do not correct it within 30 days of the date we notify you;
- **late-payment penalty** if you do not pay the tax you owe by the original due date of the return;
- **bad check penalty** if you send a remittance to the department on or after January 1, 2001, that is not honored by your financial institution.

Interest is calculated on tax from the original due date of the return through the date the tax is paid. Interest is simple interest figured using a daily rate.

Note: See Publication 103, Uniform Penalties and Interest, for more information about penalties and interest. (See Page 47 for ordering information.)

Private party

A person or business that is **not** in the business of selling items at retail in Illinois and who is not required to be registered. This does **not** include out-of-state dealers.

Renting

The transfer of possession or right to possession of an item subject to the provisions of the Automobile Renting Occupation and Use Tax Act to a person for a valuable consideration for a period of one year or less.

Retailer

In general, a retailer includes a business or person that is in the business of selling tangible personal property for use or consumption. For purposes of this reference guide, retailers are licensed dealers or others who purchase tangible personal property with the intent to sell at retail.

Glossary of Terms

Trade-in, qualified

A qualified trade-in is an item that

- is accepted to reduce the selling price (in part or full) of the item being sold; *and*
- if sold at retail, would be required to be reported on Form ST-556 or Form RUT-25; *and*
- that a dealer is in the business of selling.

Note: You are “in the business of selling” a particular kind of item if you hold yourself out to the public as being engaged in (or habitually engage in) selling such items.

Watercraft

The term “watercraft” is defined in Section 1-2 and 3-2 of the Boat and Registration Safety Act. For tax purposes, watercraft means a Class 2, Class 3, or Class 4 watercraft, a personal watercraft, or any boat equipped with an inboard motor regardless of length. As defined in the Boat and Registration Safety Act

- Class 2 watercraft includes all watercraft 16 feet or more but less than 26 feet in length,
- Class 3 watercraft includes all watercraft 26 feet or more but less than 40 feet in length,.
- Class 4 watercraft includes all watercraft 40 feet in length or more, and
- personal watercraft means a vessel that
 - uses an inboard motor powering a water jet pump as its primary source of motor power, and
 - is designed to be operated by a person sitting, standing, or kneeling on the vessel, rather than the conventional manner of sitting or standing inside the vessel, and
 - includes vessels that are similar in appearance and operation but are powered by an outboard or propeller drive motor (jet skis, wave runners, etc.).

Note: Class A (canoes and kayaks) and Class 1 (all other watercraft less than 16 feet in length) are not included in the definition of watercraft for tax purposes. However, if the watercraft is less than 16 feet in length *and* is equipped with an inboard motor, it should be reported on Form RUT-25 or Form ST-556.

Sample RUT-25

See instructions on back of Page 2



Illinois Department of Revenue

RUT-25

(R-6/03)

Use Tax Transaction Return MV

REV 04 FORM 20

EC RC CA ED NS

Do not write above this line.

Section A: Complete the following information (Please print.)

- 1 Purchaser or leasing company _____
- 2 Co-owner or person leasing _____
- 3 Address _____
Number and street
- City _____ State **IL** ZIP _____ "X" if outside city limits ☐
- 4 County _____ Township _____
- 5 Municipality, if different (city, village, or town) _____
- 6 Daytime phone number of purchaser or leasing company representative () _____
- 7 SSN _____
- 8 F.I.N. _____

Section B: Complete the seller's or leasing company's information

- 1 Seller _____
Name Number and street City State ZIP Daytime phone number
- 2 Leasing company's mailing address _____
Number and street City State ZIP Daytime phone number

Section C: Describe the item (You must complete Lines 1, 2, 4, and 5. Complete Line 3, if applicable.)

- 1 Year _____ Make _____ Model _____
- 2 Identification number (VIN) (HIN) _____
- 3 "X" if the item is leased ☐
- 4 Purchase date ____/____/____
- 5 Date brought into Illinois ____/____/____

Section D: Is this transaction exempt from tax? (Check only one box.)

You must complete Lines 1 and 2 in Section E, and sign this return in Section F.

- 1 ☐ The purchase is exempt based on the tax-exempt status of the organization.
- 2 ☐ The item is a farm implement or a ready-mix concrete truck.
- 3 ☐ The item is used in rolling stock. Your certificate of authority no. is _____.
- 4 ☐ You are in the business of renting autos, RV's, or motorcycles, and this purchase is for rental use. Your IBT no. is _____.
- 5 ☐ You are a retailer, and the item is for interim use. Your IBT no. is _____.
- 6 ☐ You were an out-of-state resident (individuals only) and used the item outside Illinois for at least three months. Leases do not apply.
- 7 ☐ You are redeeming the item due to a loan default.
- 8 ☐ The item qualifies for the CDF sales tax exemption.

→ **E** _____
Tax exemption number

→ _____

→ _____

Section E: Figure your tax (Attach a copy of your bill of sale or proof of purchase.)

(Round to nearest dollar)

You must complete Lines 1 and 2 even if no tax is due.

- 1 Purchase price (before trade-in, discount, or rebates) _____
- 2 Trade-in or discount _____
- 3 Net purchase price. Subtract Line 2 from Line 1. _____
- 4 Depreciation for out-of-state use. _____
- 5 Taxable amount. Subtract Line 4 from Line 3. _____
- 6 Tax. Multiply Line 5 by the correct rate. Write the correct tax rate here. _____
- 7 Credit for tax previously paid to _____
- 8 Tax due. Subtract Line 7 from Line 6. This is your total amount due. _____

- 1 _____
- 2 _____
- 3 _____
- 4 _____
- 5 _____
- 6 _____
- 7 _____
- 8 _____

Section F: Sign here

Date received by Illinois state government

Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct, and complete.

Your signature _____ Date _____ Signature of co-owner _____ Date _____

This form is authorized by the Illinois tax laws and the Illinois Vehicle Code. Disclosure of this information is REQUIRED. Failure to provide information could result in penalties. This form has been approved by the Forms Management Center. IL-492-2693

Copy 1 - Revenue Page 1

RUT-25 General Information

This section contains a basic overview of information pertaining to filing Form RUT-25. It is important to carefully read all of the instructions for Form RUT-25 to make sure it is the correct tax return needed to report your transaction.

Who must file Form RUT-25?

Form RUT-25 must be filed by a person or business titling or registering an item in Illinois when the person or business

- purchased an item from an out-of-state dealer, other retailer, lending institution, or leasing company selling items that are required to be titled and/or registered; **or**
- moved into Illinois with an item he or she owns that was originally purchased from an out-of-state dealer, other retailer, lending institution, or leasing company selling items that are required to be titled and/or registered; **or**
- is an out-of-state leasing company not registered with Illinois, that is currently leasing an item to an Illinois resident.

Note: Trucks purchased from a leasing company that is **not** also in the business of selling vehicles must be reported on Form RUT-50.

What items are reported on Form RUT-25?

Items that must be reported on Form RUT-25 include cars, trucks, vans, motorcycles, ATVs, buses, watercraft, aircraft, motor homes, trailers, snow mobiles, and mobile homes.

When is Form RUT-25 due?

Form RUT-25 **and** any tax payment are due within 30 days of the date the item is brought into Illinois. Tax is due on the use of an item in Illinois regardless of whether you apply for title or registration.

Where are Form RUT-25 and tax payments mailed?

Form RUT-25 and any tax payment must be submitted with the application for title and/or registration. A separate payment for tax made payable to the "Illinois Department of Revenue" must be attached to the tax form. A separate payment for title and/or registration fees must be attached to the application for title. Mail all title and/or registration and tax documents to the appropriate agency.

Motor vehicles

OFFICE OF THE SECRETARY OF STATE
VEHICLE SERVICES DEPARTMENT
HOWLETT BUILDING
SPRINGFIELD IL 62756

If you need assistance, call

1 800 252-8980 (general information)
217 782-6387 (registration information)
217 782-6306 (title information)

Aircraft

ILLINOIS DEPARTMENT OF TRANSPORTATION
DIVISION OF AERONAUTICS
ABRAHAM LINCOLN CAPITAL AIRPORT
1 LANGHORNE BOND DRIVE
SPRINGFIELD IL 62707-8415

If you need assistance, call

1 800 554-0247
217 785-8223

RUT-25 General Information

Watercraft and snowmobiles

ILLINOIS DEPARTMENT OF NATURAL RESOURCES
PO BOX 19226
SPRINGFIELD IL 62794-9226

If you need assistance, call

1 800 382-1696
217 557-0180

How can Form RUT-25 be corrected?

If you have previously filed a Form RUT-25 and now need to correct the return, you must complete and file Form RUT-25-X, Amended Use Tax Transaction Return.

RUT-25 Reporting Facts

This section provides a review of key requirements for properly reporting purchases on Form RUT-25. Read this information carefully. If you do not complete all applicable lines and provide any additional required information, it may cause delays in processing the return or you may be assessed additional tax, penalty, and interest.

Section A

Line 3, Purchaser's address

The purchaser's address must be an Illinois address. This address must be the same as it will appear on the item's Illinois title or registration.

Section C

The purchase date and the date brought into Illinois are required for the processing of this return. You must provide both of these dates for every transaction reported on Form RUT-25. If the dates are not provided, your transaction will not be correct and may result in the assessment of additional tax, penalty, and interest.

Line 4, Purchase date

The purchase date of the item must be the same date as shown on the bill of sale or other document provided as proof of purchase.

Note: For leased items, the purchase date must be the date the item was originally purchased by the leasing company; not the contract date of the agreement, unless it is the same date.

Line 5, Date brought into Illinois

The actual date the item was brought into Illinois must be provided and may be the same as the purchase date. This date is used to determine when Form RUT-25 is due. The return is due within 30 days of the date brought into Illinois.

Section D

Tax exempt transactions

Check only **ONE** box in Section D. That box must apply to the specific type of transaction being reported. You must provide additional required information if you check Box 1, 3, 4, or 5.

Note: If a box is not checked, more than one box is checked, or the additional information is not provided, your transaction will not be correct and may result in the assessment of additional tax, penalty, and interest.

If you claim an exemption, you also must write the purchase price on Line 1 of Section E and the trade-in, if any, on Line 2 of Section E.

Box 3, Rolling stock exemption

Check this box if the item purchased qualifies, as described below, for the rolling stock exemption. You must provide the certificate of authority number of the interstate carrier.

Effective July 1, 2004, to qualify for this exemption the **motor vehicle** must

- have a gross vehicle weight rating (GVWR) of more than 16,000 pounds, **and**
- carry persons or property for hire in interstate commerce each consecutive 12-month period for more than 50 percent of the motor vehicle's total trips or miles.

RUT-25 Reporting Facts

Any item that carries persons or property for hire but seldom or never leaves Illinois may qualify for the rolling stock exemption only when its trips or miles are a continuation of interstate commerce. For these trips or miles to count as a continuation of interstate commerce the person's journey or property's shipment must begin or end outside of Illinois.

Effective July 1, 2004, to qualify for this exemption a **trailer** will follow the same test as the motor vehicle. In lieu of documenting each and every trailer, you may determine if the trailer meets one of the following tests and provide us that information.

- If the trailer is dedicated to a motor vehicle that qualified for the rolling stock exemption, the trailer also qualifies.
- If the trailer is dedicated to a group of motor vehicles that all qualify for the rolling stock exemption, then the trailer qualifies.
- If one or more trailers are dedicated to a group of motor vehicles of which some qualify and some do not qualify for the rolling stock exemption, only the percentage of motor vehicles that qualify for the rolling stock exemption will be applied to the trailers. No partial trailer will be allowed the exemption.

Note: At the time the motor vehicle or trailer is purchased, the purchaser must indicate the "trips" or "miles" method on Form RUT-25 to account for the rolling stock exemption. Write the word "trips" or "miles" following the authority number on the Form RUT-25. If the purchaser does not write "trips" or "miles," we consider the purchaser to have chosen the mileage method. For additional information on the rolling stock exemption, please see the Illinois Administrative Code, Title 86, Section 130.340.

Note: You do not need to attach Form RUT-7, Rolling Stock Certification, when filing Form RUT-25 but you must keep all information required to qualify your purchase as exempt from tax in your books and records.

To qualify for this exemption, the **aircraft or watercraft** must be used to carry persons or property for hire in interstate commerce on a regular and frequent basis.

Box 6, Out-of-state resident exemption

Check this box if you were an out-of-state resident and used the item outside of Illinois for at least three months.

This exemption only applies to individuals. Businesses relocating into Illinois, leasing companies, lessees moving into Illinois with a leased item, or military persons whose home of record is Illinois do not qualify but may claim depreciation for out-of-state use on Line 4 of Section E and credit for taxes properly due and paid to another state on Line 7 of Section E.

Note: When you apply for an Illinois title and/or registration, you must surrender the out-of-state title and/or registration of the item as proof the item was used outside of Illinois for more than three months.

Box 8, Commercial distribution fee (CDF) sales tax exemption

Check this box if the motor vehicle purchased qualifies, as described below, for the commercial distribution fee (CDF) sales tax exemption.

To qualify for this exemption, the purchase of a second division motor vehicle must meet **all** of the following conditions:

- the manufacturer's gross vehicle weight rating (GVWR) is more than 8,000 pounds; **and**

RUT-25 Reporting Facts

- the motor vehicle will be used primarily for commercial purposes; *and*
- the CDF administered by the Secretary of State is paid when the motor vehicle is registered at the time of purchase.

Note: The purchaser must continue to pay the CDF in subsequent years. Otherwise, the motor vehicle no longer qualifies for this exemption and the Illinois Use Tax and applicable penalty and interest is due on the original purchase price of the motor vehicle.

Note: The CDF sales tax exemption is repealed effective July 1, 2005.

Section E Figure the tax

When figuring the tax amount due, make sure all dollar amounts are clearly written and all lines are completed so the tax amount due is properly computed.

Bill of sale

A copy of the bill of sale is a required document and you must attach it to Form RUT-25 as proof of the purchase date, purchase price, and, if applicable, credit for taxes properly due and paid to another state. If you do not have or cannot obtain a bill of sale, we will accept a

- dealer's invoice;
- letter from a leasing company;
- letter from the selling dealer;
- fair market valuation from a licensed Illinois dealer; *or*
- copy of the lease agreement clearly indicating the lessor's cost price of the motor vehicle.

Line 1, Purchase price

Purchase price is the total consideration paid whether received in money or otherwise; this includes cash, credits, property, and services but does not include a deduction for trade-in allowance, depreciation, or credit for taxes due and properly paid to another state. Purchase price includes accessories, dealer preparation, applicable federal excise taxes, freight, labor, and documentary fees.

Any rebate or incentive for which a dealer will be reimbursed by any source, must be included in the purchase price.

Line 4, Depreciation for prior out-of-state use

Depreciation can be claimed when a motor vehicle has been purchased at retail or leased and used outside of Illinois by

- leasing companies;
- lessees;
- businesses relocating into Illinois;
- individuals who used the motor vehicle outside of Illinois for less than three months; *or*
- military persons whose home of record is Illinois.

For a motor vehicle of the First and Second Division, depreciation is figured at the rate of 2 percent (.02) for each whole month the motor vehicle was used outside of Illinois. (For example, you purchased a motor vehicle on 1/15/04 and brought the vehicle into Illinois on 4/8/04. You may claim depreciation for only two months of that time; from 1/15/04 through 3/15/04. The remaining period of time from 3/16/04 through 4/8/04 is not a whole month and you cannot claim depreciation for it.)

RUT-25 Reporting Facts

Line 6, Tax rates

The tax rate for most Illinois addresses other than those listed in the counties below is 6.25 percent (.0625). If the address for title and/or registration is in one of these counties refer to Form RUT-25 instructions for the appropriate rate.

- Cook
- DuPage
- Kane
- Lake
- McHenry
- Will
- St. Clair
- Madison

Section F **Signature**

It is very important that Form RUT-25 is properly signed and dated (co-owner's too, if applicable). If the return is not properly signed, it will be considered unprocessable and we will send a notice to the filer. This notice may result in the assessment of penalty.

RUT-25 Common Questions

Does the purchase of a boat and trailer from an out-of-state dealer or leasing company require reporting on separate RUT-25 forms?

Yes. Two separate forms must be completed. Send a completed Form RUT-25 for the trailer purchase to the Office of the Secretary of State along with the application for title. Send a completed Form RUT-25 for the boat purchase to the Department of Natural Resources along with the application for title. A separate payment for title fees must be attached to the application for title. A separate payment for tax made payable to the "Illinois Department of Revenue" must be attached to each tax form.

How is the purchase of an item that will be leased to a government organization reported?

Report the transaction on Form RUT-25 by

- checking Box 1 in Section D, *and*
- writing the government organization's active Illinois sales tax exemption (E) identification number on the line provided, *and*
- completing Lines 1 and 2 in Section E. No tax is due.

The lease must be in the name of the governmental body with an active Illinois sales tax exemption (E) identification number. The lease must be for more than one year and be executed or in effect at the time the lessor purchases the item.

If I am currently leasing an item and move into Illinois, what is the tax requirement on my leased item?

Report the transaction on Form RUT-25 and pay any Illinois Use Tax within 30 days of the date your leased item is brought into Illinois. The tax is determined by the address where the item will be titled in Illinois. Figure the tax on the original purchase price that was paid by the leasing company. A deduction is allowed for a trade-in, if any, and depreciation for prior out-of-state use. You may also claim credit for sales or use tax properly due and paid to another state. The return and tax payment must be submitted with the application for title to the appropriate Illinois titling agency.

How should the tax be reported when a bank or other lending agency sells a repossessed item?

If the bank or lending agency applies for title to the repossessed item in their name and then sells the item to a new buyer, a retail sale occurs and tax is due either on Form ST-556 (if registered) or Form RUT-25. However, if the original owner, co-owner, or co-signer (of the loan) redeems (resumes) possession of the item, the transaction is not regarded as a sale and is not subject to tax.

Check Box G in Section 5 on Form ST-556 or check Box 7 in Section D on Form RUT-25 and write in "Redemption."

If the bank or lending agency does not apply for title to the repossessed item in their name and reassigns the title to the new buyer, then tax is due on the applicable Form RUT-50 or Form RUT-75 as a private transaction between the previous owner of the repossessed item and the new buyer.

What does the Illinois Department of Revenue require to show proof that tax was paid to another state?

A copy of the bill of sale that clearly states the amount of tax that was paid to another state. If you do not have or cannot obtain a bill of sale, we will accept a

- dealer's invoice;
- letter from a leasing company;
- letter from the selling dealer;
- fair market valuation from a licensed Illinois dealer; *or*
- copy of the lease agreement showing the financial information.

RUT-25 Common Questions

Can an individual trade in an item he or she owns and get a trade-in allowance to reduce tax on a new leased item?

Yes. A dealer may give a trade-in allowance on a new leased item when an individual trades in an item he or she owns.

Can a lessee trade in a leased item and get a trade-in allowance to reduce tax on a new leased item?

No. The lessee is not the owner of the item and is not entitled to a trade-in allowance.

Is an exempt organization with a valid exemption number exempt from tax on a leased item?

No. In this case, the exempt organization is not the owner of the item; the lessor is the owner of the item and tax is due on this transaction.

Illinois Department of Revenue <div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: center;"> RUT-50 <small>(R-7/03)</small> </div> <div style="text-align: center;"> Vehicle Use Tax Transaction Return PV </div> <div style="text-align: right;"> <small>Form 089 Rev 02</small> <small>EC RC CA</small> </div> </div>	
Read this information first Complete this return if you purchased or acquired a vehicle from a private party. See instructions on back of Page 2. Please print or type. Complete all Sections.	
Section A Purchaser or owner information	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> 1 Your name: _____ 2 Co-owner(s): _____ 3 Address: _____ </div> <div style="width: 48%;"> 4 Daytime phone: (____) _____ 5 SSN: _____ 6 FEIN: _____ 7 Driver's license number: _____ </div> </div>
Section B Seller's information	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> 1 Seller's name: _____ 2 Address: _____ </div> <div style="width: 48%;"> 3 Daytime phone: (____) _____ </div> </div>
Section C Vehicle information <small>You must complete Line 1 even if no tax is due.</small>	<div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> 1 Purchase price of vehicle :\$ _____ <small>(or fair market value):</small> 2 Odometer reading: _____ 3 Vehicle identification number (VIN): _____ </div> <div style="width: 48%;"> 4 Year: _____ 5 Make: _____ 6 Model: _____ </div> </div>
Section D Transaction type	<p>You must mark an <input checked="" type="checkbox"/> in ONE box in Section D. If you do not, we will send you a notice.</p> <div style="display: flex;"> <div style="width: 20%; padding-right: 10px;"> Exemption <small>(\$0 tax due)</small> </div> <div> 1 Exemption a <input type="checkbox"/> The purchase is exempt based on the tax-exempt status of the organization. <small>Exemption number: E _____</small> b <input type="checkbox"/> The vehicle is a farm implement or ready-mix concrete truck. c <input type="checkbox"/> The vehicle is used for rolling stock. Certificate of authority number: _____ d <input type="checkbox"/> You were an out-of-state resident (individuals only) and used the vehicle outside Illinois for at least three months. Write the date that you purchased the vehicle: ____/____/____ e <input type="checkbox"/> You are the surviving spouse, and the vehicle is an estate gift. f <input type="checkbox"/> The vehicle qualifies for the CDF sales tax exemption. <small>Note: If you marked Line 1a, 1b, 1c, 1d, 1e, or 1f, write "\$0" on Section E, Line 1, and sign this return in Section F.</small> </div> </div> <div style="display: flex;"> <div style="width: 20%; padding-right: 10px;"> Exception <small>(\$15 tax due)</small> </div> <div> 2 Exception a <input type="checkbox"/> You are a beneficiary who is not the surviving spouse, and the vehicle is an estate gift. b <input type="checkbox"/> The vehicle is being transferred in a business reorganization. c <input type="checkbox"/> The vehicle is being transferred or purchased from (circle one) a spouse, parent, brother, sister, or child. <small>Note: If you marked Line 2a, 2b, or 2c, write "\$15" on Section E, Line 1, complete the rest of Section E, and sign this return in Section F.</small> </div> </div> <div style="display: flex;"> <div style="width: 20%; padding-right: 10px;"> Motorcycle or ATV <small>(\$25 tax due)</small> </div> <div> 3 Motorcycle or ATV a <input type="checkbox"/> The vehicle is a motorcycle or an ATV. <small>Note: If you marked Line 3a, write "\$25" on Section E, Line 1, complete the rest of Section E, and sign this return in Section F.</small> </div> </div> <div style="display: flex;"> <div style="width: 20%; padding-right: 10px;"> Table A or Table B <small>(See instructions.)</small> </div> <div> 4 Table A or Table B a <input type="checkbox"/> The amount in Section C, Line 1, is less than \$15,000. Use Table A (in the instructions) to figure your tax due. b <input type="checkbox"/> The amount in Section C, Line 1, is \$15,000 or more. Use Table B (in the instructions) to figure your tax due. <small>Note: If you marked Line 4a or 4b, write the amount from Table A or Table B, whichever applies, on Section E, Line 1, complete the rest of Section E, and sign this return in Section F.</small> </div> </div>
Section E Tax due	<div style="display: flex; justify-content: space-between;"> <div style="width: 65%;"> 1 Amount of tax due (from Section D). 2 Write the credit for tax you previously paid to _____ <small>(Write state here and attach proof.)</small> 3 Subtract Line 2 from Line 1. This is your total tax due. Go to Section F. </div> <div style="width: 30%;"> 1 \$ _____ 2 \$ _____ 3 \$ _____ </div> </div>
Section F Sign here	<p>Under penalties of perjury, I state that I have examined this return and, to the best of my knowledge, it is true, correct, and complete.</p> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div>Owner signature(s) _____</div> <div>Date _____</div> </div> <div style="display: flex; justify-content: space-between; margin-bottom: 10px;"> <div>Co-owner signature(s) _____</div> <div>Remittance agent number, if applicable _____</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <small>This form is authorized by the Illinois tax laws and the Illinois Vehicle Code. Disclosure of this information is REQUIRED. Failure to provide information could result in penalties. This form has been approved by the Forms Management Center. IL-492-0010</small> </div> <div style="width: 35%;"> Date received ____/____/____ </div> </div>

Copy 1 —
Revenue
Page 1

RUT-50 Vehicle Use Tax Chart

RUT-50 Vehicle Use Tax Chart for 2005

Effective January 1, 2005, through December 31, 2005

The purchase price (or fair market value) of a vehicle determines which tax table to use. The purchase price is the value given for a vehicle and may be in the form of money, credit, property, or service. When there is no stated purchase price, such as in the case of a gift or even trade, the fair market value should be used. The fair market value may be obtained from a licensed dealer.

Note: A trade-in deduction is **not** allowed on this tax.

Table A

Use the table below when the purchase price (or fair market value) of a vehicle is **less than \$15,000**. The tax due is determined by the model year of the vehicle.

Model year	Vehicle age (years)	Tax due (\$)
2004 or newer	1 or newer	390
2003	2	290
2002	3	215
2001	4	165
2000	5	115
1999	6	90
1998	7	80
1997	8	65
1996	9	50
1995	10	40
1994	11 or older	25

Table B

Use the table below when the purchase price (or fair market value) of a vehicle is **\$15,000 or more**. The tax due is determined by the purchase price (or fair market value) of the vehicle.

Purchase price (or fair market value) (\$)	Tax due (\$)
15,000 to 19,999.99	750
20,000 to 24,999.99	1,000
25,000 to 29,999.99	1,250
30,000 or more	1,500

Other transaction types that may be reported on Form RUT-50 are listed below along with the required tax amount due.

Exemptions

If one of the following exemptions apply, **the tax due is \$0**.

- purchaser is a tax-exempt organization
- vehicle is a farm implement or ready-mix concrete truck
- vehicle is used for rolling stock
- purchaser was an out-of-state resident and vehicle was used outside of Illinois for at least three months (individuals only)
- vehicle is an estate gift to a surviving spouse
- vehicle qualifies for the CDF sales tax exemption through 6/30/05

Exceptions

If one of the following exceptions apply, **the tax due is \$15**.

- vehicle is an estate gift to a beneficiary
- vehicle is being transferred in a business reorganization
- vehicle is being transferred or purchased from a spouse, parent, brother, sister, or child

Motorcycles or ATVS

If the purchase is a motorcycle, motor-driven cycle, 3- or 4-wheel all-terrain vehicle (ATV), or motorized pedacycle, **the tax due is \$25**.

RUT-50 General Information

This section contains a basic overview of information pertaining to filing Form RUT-50. It is important to carefully read all of the instructions for Form RUT-50 to make sure it is the correct tax return needed to report your transaction.

Who must file Form RUT-50?

Form RUT-50 must be filed by a person or business titling a motor vehicle in Illinois when the person or business

- purchased or acquired a motor vehicle by gift or transfer from a private party either within or outside Illinois; **or**
- moved into Illinois with a motor vehicle he or she owns that was originally purchased or acquired by gift or transfer from a private party.

What items are reported on Form RUT-50?

Motor vehicles that must be reported on Form RUT-50 include cars, trucks, vans, motorcycles, motor homes, ATVs, and buses.

Note: Trailers, snowmobiles, watercraft, aircraft, and mobile homes are not subject to this tax and are not required to be reported on Form RUT-50.

Aircraft and watercraft acquired by gift, donation, transfer, or non-retail purchase from a private party are subject to tax but must be reported on Form RUT-75, Aircraft/Watercraft Use Tax Return. (See Pages 28-32 for more information.)

When is Form RUT-50 due?

Form RUT-50 and any tax payment are due within 30 days from the date the vehicle was purchased or acquired by gift or transfer. Tax is due on the use of an item in Illinois regardless of whether you apply for title or registration.

Where are Form RUT-50 and tax payments mailed?

Form RUT-50 and any tax payment must be submitted with the application for title. A separate payment for tax made payable to the "Illinois Department of Revenue" must be attached to the tax form. A separate payment for title fees must be attached to the application for title. Mail all title and tax documents to

OFFICE OF THE SECRETARY OF STATE
VEHICLE SERVICES DEPARTMENT
HOWLETT BUILDING
SPRINGFIELD IL 62756

If you need assistance, call

1 800 252-8980 (general information)
217 782-6387 (registration information)
217 782-6306 (title information)

How can Form RUT-50 be corrected?

If you have previously filed a Form RUT-50 and now need to correct the return, you must complete and file Form RUT-50-X, Amended Vehicle Use Tax Transaction Return.

RUT-50 Reporting facts

This section provides a review of key requirements for properly reporting purchases on Form RUT-50. Read this information carefully. If you do not complete all applicable lines and provide any additional required information, it may cause delays in processing the return or you may be assessed penalty and interest.

Section A

Line 3, Purchaser's address

The purchaser's address must be an Illinois address. This address must be the same as it will appear on the motor vehicle's Illinois title.

Section C

The purchase price or fair market value of the motor vehicle is required for the processing of this return. It must be provided for every transaction reported on Form RUT-50, even if one of the exemptions (\$0 tax due) or exceptions (\$15 tax due) is claimed in Section D.

Line 1, Purchase price

Purchase price is the total consideration paid whether received in money or otherwise; this includes cash, credits, property, and services but does not include a deduction for trade-in allowance. When there is no stated purchase price, such as a gift or even trade, use the fair market value of the vehicle.

Section D

Transaction type

Section D is divided into the following four transaction types:

- **1 Exemption** **\$ 0 tax due**
Boxes 1a through 1f describe exemptions that may apply to transactions being reported.
- **2 Exception** **\$15 tax due**
Boxes 2a through 2c describe exceptions that may apply to transactions being reported.
- **3 Motorcycle or ATV** **\$25 tax due**
Box 3a must be used if the transaction being reported is a motorcycle or ATV.
- **4 Table A or Table B** **See form instructions or tax chart for the tax due**
Boxes 4a and 4b must be used for transactions that do not qualify under the first three transaction types. The purchase price or fair market value of the vehicle determines which one of the tables you must use.

Mark only **ONE** box in Section D. That box must apply to the specific type of transaction being reported. You must provide additional required information if you mark Box 1a, 1c, or 1d.

Note: If a box is not marked, more than one box is marked, or the additional information is not provided, your transaction will be considered unprocessable and we will send a notice to the filer. This notice may result in the assessment of tax, penalty, and interest.

Box 1c, Rolling stock exemption

Mark this box if the motor vehicle purchased qualifies, as described below, for the rolling stock exemption. You must provide the certificate of authority number of the interstate carrier. Write \$0 tax due on Line 1 of Section E.

Effective July 1, 2004, to qualify for this exemption the **motor vehicle** must

- have a gross vehicle weight rating (GVWR) of more than 16,000 pounds, *and*
- carry persons or property for hire in interstate commerce each consecutive 12-month period for more than 50 percent of the motor vehicle's total trips or miles.

Any motor vehicle that carries persons or property for hire but seldom or never leaves Illinois may qualify for the rolling stock exemption only when its trips

RUT-50 Reporting Facts

or miles are a continuation of interstate commerce. For these trips or miles to count as a continuation of interstate commerce the person's journey or property's shipment must begin or end outside of Illinois.

Note: At the time the motor vehicle is purchased, the purchaser must indicate the "trips" or "miles" method on Form RUT-50 to account for the rolling stock exemption. Write the word "trips" or "miles" following the authority number on Form RUT-50. If the purchaser does not write "trips" or "miles," we consider the purchaser to have chosen the mileage method. For additional information on the rolling stock exemption, please see the Illinois Administrative Code, Title 86, Section 130.340.

Note: You do not need to attach Form RUT-7, Rolling Stock Certification, when filing Form RUT-50 but you must keep all information required to qualify your purchase as exempt from tax in your books and records.

Box 1d, Out-of-state resident exemption

Mark this box if you were an out-of-state resident and used the motor vehicle outside of Illinois for at least three months. You must also provide the original date that the motor vehicle was purchased or acquired. Write \$0 tax due on Line 1 of Section E.

This exemption only applies to individuals moving into Illinois. Businesses relocating into Illinois or military persons whose home of record is Illinois do not qualify.

Note: When you apply for an Illinois title, you must surrender the out-of-state title of the motor vehicle as proof that the motor vehicle was used outside of Illinois for more than three months.

Box 1f, Commercial Distribution Fee (CDF) sales tax exemption

Mark this box if the motor vehicle purchased qualifies, as described below, for the commercial distribution fee (CDF) sales tax exemption. Write \$0 tax due on Line 1 of Section E.

To qualify for this exemption, the purchase of a second division motor vehicle must meet all of the following conditions:

- the manufacturer's gross vehicle weight rating (GVWR) is more than 8,000 pounds; *and*
- the motor vehicle will be used primarily for commercial purposes; *and*
- the CDF administered by the Secretary of State is paid when the motor vehicle is registered at the time of purchase.

Note: The purchaser must continue to pay the CDF in subsequent years. Otherwise, the motor vehicle no longer qualifies for this exemption and the Illinois Vehicle Use Tax and applicable penalty and interest is due on the original purchase price of the motor vehicle.

Note: The CDF sales tax exemption is repealed effective July 1, 2005.

Box 2c, Immediate family member exception

Mark this box if the relationship between the purchaser and seller qualifies as one of the following immediate family members:

- Spouse
- Parent
- Brother

RUT-50 Reporting facts

- Sister
- Child

Also, circle the family relationship that exists between the purchaser and seller. Write \$15 tax due on Line 1 of Section E.

Step relations do not qualify as immediate family members for this exception tax.

Note: The surrendered title of the motor vehicle must be in the name of the qualifying immediate family member who is selling, transferring, or giving the motor vehicle.

Box 3a, Motorcycle or ATV

Mark this box if the motor vehicle is a motorcycle, motor-driven cycle, three-wheel or four-wheel all terrain vehicle (ATV) or a motorized pedacycle. Write \$25 tax due on Line 1 in Section E.

Note: When reporting the purchase of a motorcycle or ATV from a private party on Form RUT-50, do not figure the amount of tax due based on the purchase price and the tax tables.

Boxes 4a and 4b, Table A and Table B

If the motor vehicle does not qualify for one of the exemptions or exceptions or is not a motorcycle or ATV, then tax is due based on the purchase price or fair market value of the motor vehicle. The price or value of the motor vehicle determines which of the tables you should use to figure your tax. Do **not** automatically use Table A.

If the purchase price or fair market value reported on Line 1 of Section C is

- \$14,999.99 or less, you may use Table A. This table allows you to figure the tax due based on the age of the motor vehicle.
- \$15,000 or more, use Table B. This table is based solely on the purchase price; the motor vehicle's age is not a factor.

Note: You will find a sample of the RUT-50 Vehicle Use Tax Chart on Page 20 of this guide. The chart includes Table A and Table B. You can also find Table A and Table B in the instructions for Form RUT-50.

Note: If a review of the return results in a question about the amount of the fair market value stated, the department has the authority to determine fair market value.

Section E Figure the tax

When figuring the tax amount due, make sure all dollar amounts are clearly written and all lines are completed so the tax amount due is properly computed.

Section F Signature

It is very important that Form RUT-50 is properly signed and dated (co-owner's too, if applicable). If the return is not properly signed, it will be considered unprocessable and we will send a notice to the filer. This notice may result in the assessment of penalty.

RUT-50 Common Questions

When is the fair market value of a motor vehicle required in a private transaction?

Fair market value is used when there is no stated purchase price between the purchaser and seller of a motor vehicle (*e.g., an* even trade, a gift of a motor vehicle, or as the result of a legal settlement).

Is tax due when individuals trade motor vehicles?

Yes. Tax is due because there is no provision for any trade-in allowance on Form RUT-50. The tax amount due is determined by the purchase price or fair market value of the motor vehicle and is figured from either Table A or Table B.

Are private transactions of boats reported on Form RUT-50?

No. Boats purchased from a private party should be reported on Form RUT-75, Aircraft/Watercraft Use Tax Transaction Return. (See Pages 28-32 for more information.)

Are private transactions of trailers reported on Form RUT-50?

No. Trailers purchased from a private party are not subject to tax and are not required to be reported on Form RUT-50.

Can the \$15 exception tax for business reorganization be claimed by a business that liquidates its assets and sells a motor vehicle to an employee?

No. When a business sells a motor vehicle to an employee, the ownership changes to the employee. In this situation, the tax due is determined by the purchase price or fair market value of the motor vehicle and is figured from Table A or Table B. The \$15 exception tax can only be claimed if the beneficial ownership of the motor vehicle does not change.

What are some examples of when the \$15 exception tax for business reorganization can be claimed?

Some common examples of when the \$15 exception tax can be claimed include

- a sole proprietorship with company vehicles changes the business name but the ownership remains the same.
- a partnership with company vehicles changes the business name but the ownership remains the same.

Is a bill of sale required to be attached to Form RUT-50?

No. You should, however, keep a bill of sale or some proof of the purchase transaction in your records in case there are questions concerning the information reported on the tax return.

If I am awarded a motor vehicle as a result of a divorce order, am I entitled to the \$15 exception tax for immediate family members?

No. Prior spouses are not recognized as family members and cannot claim the \$15 exception tax. In this situation, the tax due is determined by the purchase price or fair market value of the motor vehicle and is figured from Table A or Table B.

RUT-50 Common Questions

Is tax due on a motor vehicle given as a gift?

Yes. In general, the tax amount due is determined by the purchase price or fair market value of the motor vehicle and is figured from either Table A or Table B. If a motor vehicle is transferred as an estate gift to a beneficiary who is the surviving spouse, the transfer qualifies as exempt from tax. If a motor vehicle is transferred as an estate gift to a beneficiary other than the surviving spouse, the transfer qualifies for the \$15 exception tax.

Do step-relations qualify for the \$15 exception tax?

No. Step relations do not qualify for this exception tax. The \$15 exception tax only applies to immediate family members when the relationship between the seller and purchaser of a motor vehicle is a spouse, mother, father, brother, sister, or child.

See instructions on back of Page 2

Illinois Department of Revenue

RUT-75 Aircraft/Watercraft Use Tax Transaction Return

(R-7/04) **AW**

REV 02 FORM 091 STA 751
RC CA ED NS
Do not write above this line.

Step 1
Complete the requested information about you, the purchaser or owner.

1 Purchaser _____

2 Co-owner _____

3 Address _____

City _____ State _____ ZIP _____

4 Daytime phone(____) _____

5 SSN _____

6 FEIN _____

Step 2
Complete the seller's, donor's, or other transferor's information.

1 Name _____

2 Address _____

City _____ State _____ ZIP _____

3 Daytime phone(____) _____

Step 3
Identify the item type and complete the description, identification number, and acquisition date.

1 Year/make/model _____

2 Serial no. (aircraft only) _____

3 Identification number _____

4 Aircraft airframe hours _____

5 Date acquired ____/____/____

6 Date brought into Illinois ____/____/____

a) Aircraft "N" no. _____

b) Watercraft Hull ID no. _____

Step 4
If the transaction is exempt, mark the box that applies. Be sure to read the instructions. If the transaction is taxable, continue to Step 5.

1 Mark ☒ if the transaction is:

a) was purchased by a tax-exempt organization. **E** _____
Write the tax exemption number.

b) qualified as rolling stock. _____
For aircraft, write the certificate of authority number.

c) is a gift from an estate to a surviving spouse.

d) is being stored in Illinois temporarily. (See instructions.)

e) is used primarily in production agriculture. (See instructions.)

f) is a watercraft that is exempt under Section 5-10(v) of the Watercraft Use Tax Act.

1 ☐

2 ☐

3 ☐

4 ☐

5 ☐

6 ☐

Step 5
Figure your tax.

Attach your payment here.

1 **Purchase price or fair market value** (See instructions.)
Attach a copy of the purchase agreement or invoice. For aircraft purchases, also attach a copy of the FAA bill of sale.

2 Multiply Step 5, Line 1 by **6.25%** (.0625).

3 Credit for tax previously paid to _____
See instructions. Write the state's name and attach proof.

4 Tax due. Subtract Step 5, Line 3 from Step 5, Line 2. This is your total tax due. Make your remittance payable to "Illinois Department of Revenue."

(Round to the nearest dollar.)

1 \$ _____

2 \$ _____

3 \$ _____

4 \$ _____

Step 6
Sign here.

Your signature _____ Date _____

Co-owner's signature _____ Date _____

Copy 1 — Revenue
Page 1

This form is authorized by the Illinois Aircraft Use Tax Act and Illinois Watercraft Use Tax Act. Disclosure of this information is REQUIRED. Failure to provide information could result in penalties. This form has been approved by the Forms Management Center. IL-492-4350

Date received by Illinois ____/____/____

RUT-75 General Information

This section contains a basic overview of information pertaining to filing Form RUT-75, Aircraft/Watercraft Use Tax Return. It is important to carefully read all of the instructions for Form RUT-75 to make sure it is the correct tax return needed to report your transaction.

Effective July 1, 2003, tax is owed when an aircraft is acquired by gift, donation, transfer, or non-retail purchase if the aircraft will be used in Illinois.

Effective September 1, 2004, tax is owed when a watercraft is acquired by gift, donation, transfer, or non-retail purchase if the watercraft will be used in Illinois.

Who must file Form RUT-75?

Form RUT-75 must be filed by a person or business who

- acquired an aircraft or watercraft by gift, donation, transfer, or non-retail purchase from a private party for use in Illinois, or
- moved into Illinois with an aircraft or watercraft he or she owns that was originally acquired by gift, donation, transfer, or non-retail purchase from a private party for use in Illinois.

Note: For purposes of this guide, “non-retail purchase” means a purchase from a person or business that is not in the business of selling aircraft or watercraft at retail.

What items are reported on Form RUT-75?

Aircraft that must be reported on Form RUT-75 includes airplanes, helicopters, hot-air balloons, gliders, blimps, dirigibles, seaplanes, and anything else defined as aircraft in Section 3 of the Illinois Aeronautics Act.

The following watercraft, as defined in the Boat and Registration Safety Act, must be reported on Form RUT-75:

- Class 2 watercraft, which includes all watercraft 16 feet or more but less than 26 feet in length,
- Class 3 watercraft, which includes all watercraft 26 feet or more but less than 40 feet in length,
- Class 4 watercraft, which includes all watercraft 40 feet in length or more, and
- personal watercraft, which means a vessel that
 - uses an inboard motor powering a water jet pump as its primary source of motor power, and
 - is designed to be operated by a person sitting, standing, or kneeling on the vessel, rather than the conventional manner of sitting or standing inside the vessel, and
 - includes vessels that are similar in appearance and operation but are powered by an outboard or propeller drive motor (jet skis, wave runners, etc.).

Note: Class A (canoes and kayaks) and Class 1 (all other watercraft less than 16 feet in length) are not reported on Form RUT-75.

When is Form RUT-75 due?

Form RUT-75 and any tax payment are due within 30 days from the date the aircraft or watercraft was acquired or brought into Illinois, whichever is later. Tax is due on the use of an aircraft or watercraft in Illinois regardless of whether you apply for title or registration.

RUT-75 General Information

Where are Form RUT-75 and tax payments mailed?

Form RUT-75 and any tax payment should be submitted with the application for registration. A separate payment for tax made payable to the "Illinois Department of Revenue" must be attached to the tax form. A separate payment for registration fees must be attached to the application for registration. Mail all registration and tax documents to

Aircraft ILLINOIS DEPARTMENT OF TRANSPORTATION
DIVISION OF AERONAUTICS
ABRAHAM LINCOLN CAPITAL AIRPORT
1 LANGHORNE BOND DRIVE
SPRINGFIELD IL 62707-8415

If you need assistance, call

1 800 554-0247 (general information)
217 785-8223 (registration information)

Watercraft ILLINOIS DEPARTMENT OF NATURAL RESOURCES
PO BOX 19226
SPRINGFIELD IL 62794-9226

If you need assistance, call

1 800 382-1696 (general information)
217 557-0180 (registration information)

How can Form RUT-75 be corrected?

If you have previously filed a Form RUT-75 and now need to correct the return, you must complete and file Form RUT-75-X, Amended Aircraft/Watercraft Use Tax Transaction Return.

RUT-75 Reporting Facts

This section provides a review of the key requirements for properly reporting purchases on Form RUT-75. If you do not complete all applicable lines and provide any additional required information, it may cause delays in processing the return and as a result, you may be assessed additional tax, penalty, and interest.

Step 1

Line 3, Purchaser's address

The purchaser's address must be the same as it will appear on the Illinois registration for the aircraft or watercraft.

Step 3

The date acquired and the date brought into Illinois are required for the processing of this return. You must provide both of these dates for every transaction reported on Form RUT-75. If the dates are not provided, your transaction will not be correct and may result in the assessment of additional tax, penalty, and interest.

Line 5, Date Acquired

For aircraft, the date acquired must be the same date as shown on the attached FAA bill of sale and purchase agreement/invoice.

Note: For leased aircraft, the date acquired must be the date the aircraft was originally purchased by the leasing company; not the contract date of the agreement, unless it is the same date.

For watercraft, the date acquired must be the same date as shown on the purchase agreement/invoice.

Line 6, Date brought into Illinois

The actual date the aircraft or watercraft was brought into Illinois must be provided and may be the same as the date acquired. This date is used to determine when Form RUT-75 is due. The return is due within 30 days of the date acquired or the date brought into Illinois, whichever is later.

Step 4

Tax exempt transactions

Mark only **ONE** box in Step 4. That box must apply to the specific type of transaction being reported. You must provide additional required information if you mark Box a or b.

Note: If a box is not marked, more than one box is marked, or the additional information is not provided, your transaction will not be correct and may result in the assessment of additional tax, penalty, and interest.

If you claim an exemption, you must also write the purchase price or fair market value on Line 1 in Step 5.

Line 1b, Rolling stock exemption

Mark this box if the aircraft or watercraft purchased qualifies for the rolling stock exemption. You must provide the certificate of authority number of the interstate carrier.

RUT-75 Reporting Facts

To qualify for this exemption the aircraft or watercraft must be used to carry persons or property for hire in interstate commerce on a regular and frequent basis.

Note: You do not need to attach Form RUT-7, Rolling Stock Certification, when filing Form RUT-75 but you must keep all information required to qualify your purchase as exempt from tax in your books and records.

Step 5 **Figure the tax**

When figuring the tax amount due, make sure all dollar amounts are clearly written and all lines are completed so the tax amount due is properly computed.

Bill of sale

For aircraft, a copy of both the FAA bill of sale and purchase agreement/invoice is required and must be attached to Form RUT-75.

For watercraft, a copy of the purchase agreement/invoice is required and must be attached to Form RUT-75.

Line 1, Purchase price

Purchase price is the total consideration paid whether received in money or otherwise; this includes cash, credits, property, and services but does not include a deduction for trade-in allowance or credit for tax properly due and paid to another state. There is no trade-in allowance for aircraft or watercraft subject to Aircraft Use Tax or Watercraft Use Tax.

Aircraft - If you purchased the aircraft and the purchase price is less than the fair market value, you must write the fair market value of the aircraft on the date it was purchased or the date it was brought into Illinois, whichever is later. Also attach a copy of the FAA bill of sale. If you acquired the aircraft by gift, donation, or transfer, tax is due on the fair market value. Write the fair market value on Line 1.

Watercraft - If the transaction is between immediate family members, write the amount paid. Otherwise, write the fair market value or purchase price of the watercraft on the date that the watercraft was purchased or the date it was brought into Illinois, whichever is later.

Note: The purchase price or fair market value must include the value of any motor sold with, or as part of, the transaction.

Note: If you are acquiring a share of the aircraft or watercraft, tax is based on the purchase price or fair market value of the share acquired.

If our review of this return results in a question about the purchase price or fair market value stated, we have the authority to determine the item's fair market value through an independent valuation. We will send you a notice if additional tax is owed.

Line 2, Tax rate

The tax rate for Form RUT-75 is 6.25 percent (.0625) of the purchase price or fair market value, whichever is greater.

Step 6 **Signatures**

It is very important that Form RUT-75 is properly signed and dated (co-owner's too, if applicable). If the return is not properly signed, it will be considered unprocessable and we will send a notice to the filer. This notice may result in the assessment of penalty.

RUT-75 Common Questions

When is the fair market value of an aircraft or watercraft required in a private transaction?

The fair market value must be used when

- the purchase price of the aircraft or watercraft is less than fair market value, *or*
- there is no stated selling price or purchase price (*e.g.*, a trade, gift, donation, or transfer of an aircraft or watercraft, or as the result of a settlement).

Is tax due when a trade is made between individuals?

Yes. Tax is due because there is no provision for any trade-in allowance on Form RUT-75. The tax due is based on the fair market value of the aircraft or watercraft.

Is a bill of sale required to be attached to Form RUT-75?

For aircraft, yes. Both the FAA bill of sale and purchase agreement/invoice must be attached to Form RUT-75 as proof of the purchase price and any sales and use tax properly due and paid to another state. For watercraft, only the purchase agreement/invoice is required.

Is tax due on an aircraft or watercraft received as a gift or donation?

Yes. Tax is based on the fair market value of the aircraft or watercraft.

What is the tax requirement when moving into Illinois with an aircraft or watercraft I already own?

If the aircraft or watercraft was originally purchased (or acquired by gift, donation, or transfer) from an individual or non-retail party, you must complete and file Form RUT-75 within 30 days from the date you bring the aircraft or watercraft into Illinois.

If the aircraft or watercraft was originally purchased from an out-of-state dealer, other retailer, leasing company, or lending institution selling at retail, you must complete and file Form RUT-25 within 30 days from the date you bring the aircraft or watercraft into Illinois.

Note: We will allow credit for tax previously paid to another state only if the tax was properly due and separately stated on any proof of tax payment.

Is tax due on an aircraft or watercraft that is purchased for agricultural use?

No. Aircraft and watercraft are eligible for the farm machinery and equipment exemption if these items are used **primarily** (more than 50%) in production agriculture. For example, an aircraft used primarily for crop dusting and a watercraft used primarily for fish farming.



Illinois Department of Revenue

ST-556 Sales Tax Transaction Return

(For Vehicles, Watercraft, Aircraft, Trailers, and Mobile Homes)

(R-6/03)

Do not write above this line.

NS CA ED RC TL

Tax return no.:
IBT no.:
Taxable location no.:
Taxable location name:
Dealer's license no.:
Rev:
Form:

1 Write the buyer's name and address

Name(s) _____
Street _____ City _____ State _____ ZIP _____

2 Describe the item sold

☐ A Vehicle ☐ B Watercraft ☐ C Aircraft
☐ D Trailer ☐ E Mobile Home
☐ New ☐ Used

Identification no. _____
Year _____
Body style and model _____

3 Write the date of delivery

_____/_____/_____
(This return is due no later than 20 days after the date of delivery.)

4 Describe the trade-in, if any

Item traded in _____
Identification no. _____
Year _____ Make _____
Body style and model _____

5 Is the sale exempt from tax?

If so, check the correct box below, and complete Section 6, Lines 1 and 2.

☐ A Out-of-state buyer
drive-away permit no./lic. plate no. _____ state _____
☐ B Sold for resale buyer's IBT no. _____
☐ C Exempt organization (government, school, religious,
or charitable) tax-exempt no. E _____
☐ D Sold to an interstate carrier for hire for use as rolling stock
Certificate of authority no. _____
☐ E Sold for rental use
buyer's IBT no. _____
☐ F CDF sales tax exemption
☐ G Other (describe) _____

Under penalties of perjury, we state that we have examined this return, including any schedules and statements, and to the best of our knowledge, it is true, correct, and complete. If the seller has taken a qualified trade-in, we also state that the buyer has properly assigned and surrendered the title of the trade-in to the seller.

Signature of buyer(s) _____ Date _____
Signature of seller _____ Date _____

This form is authorized as outlined by the Illinois tax laws and the Illinois Vehicle Code. Disclosure of this information is REQUIRED. Failure to provide information could result in penalties. This form has been approved by the Forms Management Center. IL-492-1556

6 Write the price and figure the tax

(Round to nearest dollar)

You must complete Lines 1 and 2 even if no tax is due.
1 Total price, including accessories, federal excise tax, freight, dealer preparation, labor, and documentary fees. _____
2 Total trade-in credit or value. _____
3 Amount subject to tax [Line 1 - Line 2] _____
4 Tax [Line 3 X _____] (If you made this sale from a temporary sales location, see the instructions.) _____

5 Use tax for certain districts - (see instructions)

Do not report home rule use tax below.

a. County _____
b. City _____
c. Township _____
6 Total tax [Line 4 + Line 5] _____
7 Retailer's allowance if filed on time [Line 6 X _____] _____

8 Net tax due [Line 6 - Line 7] _____
9 Prior overpayment (see instructions) _____

10 Credit for previously paid tax (see instructions) _____
On the line below, write the tax return number of the Form ST-556 on which you previously paid tax to an Illinois dealer.
Tax return no. _____

11 Excess tax collected _____
12 Total tax due [Line 8 - Line 9 - Line 10 + Line 11] _____
13 Credit memorandum (see instructions) _____
14 Amount due [Line 12 - Line 13] _____

Dealer's check no. _____

Do not write below this line.

Date received by Illinois state government Copy 1 - Revenue's

ATTACH PAYMENT HERE

ST-556 General Information

This section contains a basic overview of information pertaining to filing Form ST-556. It is important to carefully read all of the instructions for Form ST-556 to make sure it is the correct tax return needed to report your transaction.

Who must file Form ST-556?

Form ST-556 must be filed if you are in the business of selling items that are normally required to be titled or registered by an agency of Illinois state government at retail in Illinois.

What items are reported on Form ST-556?

Items that must be reported on Form ST-556 include cars, trucks, vans, motorcycles, ATVs, buses, watercraft, aircraft, motor homes, trailers, snowmobiles, and mobile homes sold at retail

Note: When a retailer permanently affixes or incorporates a mobile home into real estate, that retailer is acting as a construction contractor and owes sales tax on his or her cost of the mobile home and other items that become part of real estate. Receipts and tax, when due, must be reported on Form ST-1, Sales and Use Tax Return. For information on what taxes are due, see the Illinois Administrative Code, Title 86, Sections 130.1940 and 130.2075.

When is Form ST-556 due?

Form ST-556 and any tax payment are due within 20 days of the date of delivery of the item. Tax is due on the sale of an item in Illinois regardless of whether you submit an application for title or registration.

Where are Form ST-556 and payments mailed?

Form ST-556 and any tax payment must be submitted with the application for title and/or registration. A separate payment for tax made payable to the "Illinois Department of Revenue" must be attached to the tax form. A separate payment for title and/or registration fees must be attached to the application for title. Mail all title and/or registration and tax documents to

Motor vehicles

OFFICE OF THE SECRETARY OF STATE
VEHICLE SERVICES DEPARTMENT
HOWLETT BUILDING
SPRINGFIELD IL 62756

If you need assistance, call

1 800 252-8980 (general information)
217 782-6387 (registration information)
217 782-6306 (title information)

Aircraft

ILLINOIS DEPARTMENT OF TRANSPORTATION
DIVISION OF AERONAUTICS
ABRAHAM LINCOLN CAPITAL AIRPORT
1 LANGHORNE BOND DRIVE
SPRINGFIELD IL 62707-8415

If you need assistance, call

1 800 554-0247
217 785-8223

ST-556 General Information

Watercraft and snowmobiles

ILLINOIS DEPARTMENT OF NATURAL RESOURCES
PO BOX 19226
SPRINGFIELD IL 62794-9226

If you need assistance, call

1 800 382-1696
217 557-0180

**How can Form ST-556
be corrected?**

If you have filed a Form ST-556 previously and now need to correct the return, you must complete and file Form ST-556-X, Amended Sales Tax Transaction Return.

**How are off-site sales
reported?**

If you hold or participate in an off-site sales event (sometimes referred to as a “tent sale”) at a location other than your normal place of business, you may need to make changes to information we preprint on your Form ST-556. For complete instructions on how to make the changes, see the publication ST-23, How to Report Off-site Sales on Form ST-556, Sales Tax Transaction Return. (See Page 44 of this publication for ordering information.)

ST-556 Reporting Facts

This section provides a review of key requirements for properly reporting sales on Form ST-556. Read this information carefully. If you do not complete all applicable lines and provide any additional required information, it may cause delays in processing the return or you may be assessed additional tax, penalty and interest.

Section 3

Date of delivery

The date of delivery is used to determine when Form ST-556 is due. The return is due within 20 days of the date the item is sold or transferred.

The date of delivery is required for the processing of this return. If you do not provide this date, your transaction will not be correct and may result in the assessment of additional tax, penalty, and interest.

Section 4

Describe the trade-in

If you took a qualified trade-in toward the sale of an item, you must describe the trade-in in this section. A qualified trade-in is an item that

- you accept to reduce the selling price (in part or in full) of the item sold; and
- if sold at retail would be required to be reported on Form ST-556; and
- you are in the business of selling.

Note: You are “in the business of selling” a particular kind of item if you publicly present yourself as being engaged in (or habitually engage in) selling such items. For example, if you are in the business of selling both cars and boats, you may take a boat as trade-in toward the sale of a car to reduce the selling price. However, if you only sell cars, you may not take a boat as a trade-in for a car.

Section 5

Tax exemptions

Check only **ONE** box in Section 5. That box must apply to the specific type of transaction being reported. You must provide additional required information if you check Box A through E, or G.

Note: If a box is not checked, more than one box is checked, or the additional information is not provided, your transaction will not be correct and may result in the assessment of additional tax, penalty, and interest.

If you claim an exemption, you also must write the purchase price on Line 1 of Section 6 and the trade-in, if any, on Line 2 of Section 6.

Box A, Out-of-state buyer exemption

Check this box if you sold a vehicle or trailer to an out-of-state buyer who took possession of the item in Illinois and

- you issued a drive-away permit for the item sold; or
- the buyer transferred out-of-state license plates to the item sold.

If you issued a drive-away permit, write the drive-away permit number in the space provided. If the buyer transferred current out-of-state license plates to the item sold, write the license plate number. In either case, write the two letter state abbreviation in the space provided.

Effective February 1, 2005, certain nonresidents may not be entitled to the out-of-state buyer exemption on purchases of motor vehicles or trailers.

Nonresidents may not be entitled to the “out-of-state buyer” exemption if the motor vehicle or trailer will be titled in a state that does not give Illinois residents an “out-of-state buyer” exemption on their purchases in that state of motor vehicles or trailers that will be titled in Illinois (i.e., there is no reciprocal exemption). See Page 39 for tax rate information.

ST-556 Reporting Facts

Box D, Rolling stock exemption

Check this box if the item purchased qualifies, as described below, for the rolling stock exemption. You must provide the certificate of authority number of the interstate carrier.

Effective July 1, 2004, to qualify for this exemption the **motor vehicle** must

- have a gross vehicle weight rating (GVWR) of more than 16,000 pounds; *and*
- carry persons or property for hire in interstate commerce each consecutive 12-month period for more than 50 percent of the motor vehicle's total trips or miles.

Any motor vehicle that carries persons or property for hire but seldom or never leaves Illinois may qualify for the rolling stock exemption only when its trips or miles are a continuation of interstate commerce. For these trips or miles to count as a continuation of interstate commerce the person's journey or property's shipment must begin or end outside of Illinois.

Effective July 1, 2004, to qualify for this exemption a **trailer** will follow the same test as the motor vehicle. In lieu of documenting each and every trailer, you may determine if the trailer meets one of the following tests and provide us that information.

- If the trailer is dedicated to a motor vehicle that qualified for the rolling stock exemption, the trailer also qualifies.
- If the trailer is dedicated to a group of motor vehicles that all qualify for the rolling stock exemption, then the trailer qualifies.
- If one or more trailers are dedicated to a group of motor vehicles of which some qualify and some do not qualify for the rolling stock exemption, only the percentage of motor vehicles that qualify for the rolling stock exemption will be applied to the trailers. No partial trailer will be allowed the exemption.

Note: At the time the motor vehicle or trailer is purchased, the purchaser must indicate the "trips" or "miles" method on Form ST-556 to account for the rolling stock exemption. Write the word "trips" or "miles" following the authority number on Form ST-556. If the purchaser does not write "trips" or "miles," we will consider the purchaser to have chosen the mileage method. For additional information on the rolling stock exemption, please see the Illinois Administrative Code, Title 86, Section 130.340.

Note: You do not need to attach Form RUT-7, Rolling Stock Certification, when filing Form ST-556 but you must keep in your books and records all information required to qualify your purchase as exempt from tax.

To qualify for the exemption, the aircraft or watercraft must be used to carry persons or property for hire in interstate commerce on a regular and frequent basis.

Box F, Commercial distribution fee (CDF) sales tax exemption

Check this box if the motor vehicle sold qualifies, as described below, for the commercial distribution fee (CDF) sales tax exemption.

To qualify for this exemption, the sale of a second division motor vehicle must meet all of the following conditions:

- the manufacturer's gross vehicle weight rating (GVWR) is more than 8,000 pounds; *and*
- the motor vehicle will be used primarily for commercial purposes; *and*
- the CDF administered by the Secretary of State is paid when the motor vehicle is registered at the time of purchase.

ST-556 Reporting Facts

To properly document the exemption, the purchaser should complete Form CDF-7, Commercial Distribution Fee (CDF) Sales Tax Exemption Certification, and the dealer should keep a copy of it on record to support the exempt sale.

Note: The purchaser must continue to pay the CDF in subsequent years. Otherwise, the motor vehicle no longer qualifies for this exemption and sales tax is due on the original selling price of the motor vehicle.

Note: The CDF sales tax exemption is repealed effective July 1, 2005.

Box G, Other

If you sell an item that qualifies as tax exempt but does not fit any other category in Section 5, check Box G, Other, and describe your exempt transaction. Some examples of other exempt transactions that qualify are sales

- to foreign missions or diplomats;
- for interim use or demonstration purposes;
- of ready mix concrete trucks;
- of motor vehicles that you deliver in interstate commerce;
- of motor vehicles that you deliver in foreign commerce; *or*
- of motor vehicles as farm machinery and equipment.

Note: ATV's may qualify for the farm machinery and equipment exemption if they are used primarily (more than 50% of the time) in production agriculture activities such as pulling sprayers while they apply chemicals to fields or collecting and mapping soil samples. The use of ATV's for farm transportation or recreation purposes does not constitute production agriculture. The farm machinery and equipment exemption may be documented using Form ST-587, Equipment Exemption Certificate. Certification should be maintained in the dealer's books and records.

Voided forms

If it is necessary to void a Form ST-556, you should write the word "Void" across the front of the return and keep all three pages of the voided form in your records for 42 months for audit purposes.

Section 6 Figure the tax

When figuring the tax amount due, make sure all dollar amounts are clearly written and all applicable lines are completed so the tax amount due is properly computed.

Line 1, Total price

The total price normally includes the following:

- | | |
|------------------------|---------------------------|
| ■ Accessories | ■ Documentary fees |
| ■ Dealer preparation | ■ Any rebate or incentive |
| ■ Federal excise taxes | for which a dealer |
| ■ Freight and labor | will be reimbursed |

In general, any cost passed on to the customer as part of the sale of an item and for which gross receipts are received should be included in the total price.

Line 2, Trade-in credit or value

If you report an amount on this line, describe the qualified trade-in(s) in Section 4. If you are claiming more than one qualified trade-in, combine the total amounts of all trade-ins.

Line 4, Tax rate

The tax rate the dealer is required to collect is preprinted in Section 6, Line 4. This rate is based on the registered business location of the dealer that is preprinted in the upper left portion of Form ST-556.

ST-556 Reporting Facts

For nonresidents who are not entitled to the “out-of-state buyer” exemption, the tax rate that must be used to compute the tax due may be different from the rate that is preprinted on your Form ST-556.

In general, the tax rate is the nonresident’s state sales tax rate, but is limited to 6.25 percent if the nonresident’s state sales tax rate is higher than 6.25 percent. Certain exceptions apply. Visit our website at www.ILtax.com for a complete listing of states and the tax rate or tax amount you are required to collect.

Cross through the preprinted rate on Line 4 and write the appropriate rate.

Line 4, Chicago Home Rule Use Tax

If the business location of the dealer is in Cook or the collar counties and a motor vehicle is sold to a buyer who lives in the city of Chicago, an additional 1 percent (.01) Chicago Home Rule Use Tax must be collected. This combined tax rate is preprinted below Line 4 and must be reported on Line 4, **not** Line 5.

Note: Do not report the Cook County Home Rule Use Tax of 3/4 percent (.075) on Form ST-556. This tax is administered and collected directly by the Cook County Department of Revenue.

Line 7a, MED fee

If you are a dealer located in the Metro-East Mass Transit District (MED) of St. Clair County, you are required to collect the MED fee on sales of items you make from your business location, even if the item will be titled or registered outside the MED portion of St. Clair County. If the transaction is exempt from sales tax, no fee is owed.

The fee rate is 0.5 percent (0.005) of the total price minus any trade-in, or \$20 whichever is less.

Note: This fee also applies to sales made by registered out-of-state lessors who, at the end of the lease, sell an item that is located in the MED portion of St. Clair County.

Note: The retailers’ 1.75 percent timely-filed discount **does not** apply to this fee.

For affected dealers, Form ST-556 will have Line 7a printed immediately below Line 7. The instructions for line 8, Net tax due, have also been changed. Write the amount of fee owed on Line 7a and also include it in the computation on Line 8.

Line 10, Credit for previously paid tax

If you are a leasing company and you are making a retail sale of an item you previously purchased **for leasing purposes**, you may take credit on Line 10 of Form ST-556 for the tax that you previously paid providing that

- you paid the tax to an **Illinois retailer on Form ST-556** when you purchased the item;
- the amount of credit you take for tax previously paid is equal to or less than the amount of the tax due on the ST-556 on which you are now reporting the retail sale of this same previously leased item; and
- on the line provided below Line 10, you write the tax return number of the ST-556 filed by the Illinois retailer to whom you previously paid the tax.

Signature

It is very important that Form ST-556 is properly signed and dated by both the buyer and seller. If the return is not properly signed, it will be considered unprocessable and we will send a notice to the filer. This notice may result in the assessment of penalty.

ST-556 Leasing and Trade-ins

Illinois dealers may reduce the total price of a motor vehicle sold by means of a "trade-in credit" which reduces the taxable amount. The following information explains the provisions of the trade-in credit.

How is the value of a qualified trade-in determined?

The value of a qualified trade-in is the amount of value assigned to the item without regard for any debt currently owed on the item. The value assigned is referred to as the "trade-in credit."

When can a qualified trade-in credit be given?

A dealer may give a qualified trade-in credit toward the purchase of another motor vehicle when

- individuals trade in motor vehicles they own;
- leasing companies trade in motor vehicles they own;
- leasing companies trade in motor vehicles owned by prospective lessees; **or**
- third parties trade in motor vehicles they own on behalf of individuals or prospective lessees.

Documentation is required showing the third party has assigned the motor vehicle directly to you and provides you with written authorization for the trade. The documentation must specify the

- motor vehicle traded-in; **and**
- motor vehicle purchased; **and**
- buyer on whose behalf the trade-in is offered.

Are there circumstances when a dealer may not give a qualified trade-in credit?

A dealer may not give a qualified trade-in credit toward the purchase of another motor vehicle when the

- dealer owns the motor vehicle being offered as trade;
- dealer and the leasing company are one and the same entity;
- motor vehicle being offered as trade was previously sold to the dealer and was not documented in writing that it was being offered as trade;
- third party offering the motor vehicle as trade is in the business of selling motor vehicles and is required to collect Illinois Sales and Use Tax; **or**
- dealer is not in the business of selling the type of item being offered as trade.

What other types of trade-in credits are allowed?

■ Advance trade-in credits

An advance trade-in is when a motor vehicle is traded to a dealer (primarily by a leasing company) for a future purchase of a motor vehicle. At the time of the trade, the purchaser must provide the dealer with a written contract of obligation to purchase another motor vehicle within nine months of the trade. An advance trade-in credit is established when a value is assigned to the motor vehicle being traded. This credit expires after nine months if unused.

The documentation required for using advance trade-in credits is

- a written contract indicating the date the trade-in was given, a description of the trade-in, the value assigned to the trade-in, a statement of obligation to purchase another motor vehicle within nine months, and the date of expiration of the advance trade-in credit; **and**
- a bill of sale for the trade-in; **and**
- a copy of Form ST-556 when the future sale is made and the advance trade-in credit is reported.

ST-556 Leasing and Trade-ins

■ Multiple trade-in credits

A dealer may use the cumulative total of trade-in credits given when more than one motor vehicle is traded in toward the sale of a single motor vehicle as long as the documentation clearly shows that the motor vehicles being traded and the motor vehicle sold were all part of the **same sales transaction**.

■ Split trade-in credits

A dealer may split the trade-in credit given when a single motor vehicle is traded in toward the sale of two or more motor vehicles as long as the documentation clearly shows that the motor vehicle being traded and the motor vehicles sold were all part of the **same sales transaction**. The amount of trade-in credit that is applied to each motor vehicle sold may be determined by the dealer and the purchaser.

■ Combined trade-in credits

A dealer may combine the trade-in credits from advance trades, multiple trades, and split trades as long as the documentation clearly shows that all of the motor vehicles being traded and sold were all part of the **same sales transaction**. If you are using an advance trade-in credit it must meet the advance trade-in credit requirements.

ST-556 Taxable Items

Rebates

Any rebate or incentive for which a dealer will be reimbursed by any source, (e.g., a manufacturer's rebate program), must be included in the total price and is subject to Retailers' Occupation Tax. A discount or incentive offered by the dealer that will not be reimbursed should not be included in the total price and will not be subject to Retailers' Occupation Tax.

Down payment

A down payment must be included in the total price of the item and is subject to tax.

Documentary service fees

Documentary Service Fees charged by a dealer for completing title and registration applications and other paperwork are subject to tax. These collected fees must be included in the total price of the item.

Extended warranty contracts

Receipts from the sale of extended warranty contracts are not subject to tax if separately contracted for from the selling price of the item.

Freight & labor

Generally, freight and labor costs must be included in the total price of the item and are subject to tax. Incoming freight charged to the purchaser is a cost of doing business to the seller and, as such, is subject to tax. Outgoing freight and special service charges to the customer such as rust-proofing are not taxable if they are separately contracted for and, in the case of freight, the costs are actually reflective of the cost of shipping.

Federal Excise Tax

Generally, Federal Excise Tax must be included in the total price and is subject to tax.

Note: Federal Excise Tax on trucks with a gross vehicle weight of 33,000 lbs. or more; or trailers or semitrailer chassis with a gross vehicle weight of 26,000 lbs. or more should **not** be included in the total price and is **not** subject to tax.

ST-556 Common Questions

How does the Department of Revenue determine if Form ST-556 is filed within 20 days of the date of delivery?

The titling agency that originally receives the return will record the date received. The Department of Revenue will compare this received date to the delivery date to determine timely filing. If the due date falls on a weekend or state-recognized holiday, the due date will be the next business day.

What is the tax requirement for items sold in Illinois to out-of-state purchasers?

Cars, trucks, vans, motorcycles, and trailers that are sold in Illinois to out-of-state purchasers may qualify as tax-exempt transactions when the

- seller issues drive-away permits,
- purchaser transfers current out-of-state license plates, *or*
- seller is contractually obligated to deliver the item out-of-state.

Any items, other than those listed above, that are sold and taken possession of in Illinois are taxable sales at retail.

Note: Nonresidents may not be entitled to the “out-of-state buyer” exemption if the motor vehicle or trailer will be titled in a state that does not give Illinois residents an “out-of-state buyer” exemption on their purchases in that state of motor vehicles or trailers that will be titled in Illinois (i.e., there is no reciprocal exemption). Visit our website at www.ILtax.com for a complete listing of states and the tax rate or tax amount you are required to collect.

What is the tax requirement for items that are sold in Illinois but will be shipped out of the country?

The sale of an item that will be shipped out of the country may qualify as tax exempt if

- the sale is to a foreign consulate, diplomat, consular officer, or staff member who provides you with an active tax exemption card issued by the U.S. Department of State, or
- the dealer delivers or causes to be delivered, the item to a freight forwarder who arranges for the item to be shipped out of the country.

How does a dealer report the sale of an item to a leasing company that will be leased to a government organization?

A dealer must report the transaction on Form ST-556 by

- checking Box C in Section 5, *and*
- writing the government organization’s active Illinois sales tax exemption (E) identification number on the line provided, *and*
- completing Lines 1 and 2 in Section 6.

Can a dealer accept a trade-in from someone other than the purchaser?

Yes. The person (third party) trading in the item must be the owner and actually trade it in for the item being purchased.

Are there restrictions on what a dealer can deduct as a trade-in?

Yes. A dealer can only claim a qualified trade-in of an item for which the dealer is in the business of selling. (See Page 9 for a definition of qualified trade-in.)

Is there a limit on the number of items that can be used as trade-ins?

No. There is no limit on the number of items that can be used as trade-ins.

Forms

Form ST-556, Sales Tax Transaction Return

Form ST-556 is preprinted and mailed directly to registered retailers of cars, trucks, vans, motorcycles, watercraft, aircraft, trailers, snowmobiles, and mobile homes.

This form is not available for downloading or faxing because it is a multiple page form printed on NCR paper. To order additional forms, please contact us at the telephone numbers or the addresses we have listed below:

Email:

centreg@revenue.state.il.us

Call:

217 785-3707

Complete:

Form NUC-13, ST-556 Order Form. Mail your completed order form to the address below.

ILLINOIS DEPARTMENT OF REVENUE
CENTRAL REGISTRATION DIVISION
PO BOX 19030
SPRINGFIELD, IL 62794-9030

Form RUT-25, Use Tax Transaction Return

Form RUT-50, Vehicle Use Tax Transaction Return

Form RUT-75, Aircraft/Watercraft Use Tax Transaction Return

These three forms are not available for downloading or faxing because they are multiple page forms printed on NCR paper. You may obtain these forms at the facility where you will title and register the item or you may call our 24-hour Forms Order Line at **1 800 356-6302**.

Other related forms

At any time, requests can be made by visiting our Web site at **www.ILtax.com** or calling our Forms Order line at **1 800 356-6302**.

CDF-7	Commercial Distribution Fee Sales Tax Exemption Certification
CRT-61	Certificate of Resale
IL-4506	Request for Copy of Tax Return
RUT-7	Rolling Stock Certification
RUT-25-E	Fleet Exemption Schedule
RUT-25-X	Amended Use Tax Transaction Return
RUT-50-X	Amended Vehicle Use Tax Transaction Return
RUT-75-X	Amended Aircraft/Watercraft Use Tax Transaction Return
ST-556-F	Miscellaneous Information About Filing Form ST-556, Sales Tax Transaction Return
ST-556-R	Resale and Rolling Stock Fleet Exemption Schedule
ST-556-X	Amended Sales Tax Transaction Return
ST-557	Claim for Credit for Repossession of Motor Vehicles, Watercraft, Aircraft, Trailers, and Mobile Homes
ST-587	Equipment Exemption Certificate

You can also order forms by writing to us at

ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19010
SPRINGFIELD, IL 62794-9010

Receipted Copy Information

The normal process for applying for title and registration in Illinois requires that the applicable form, from one of the four tax forms listed below, is submitted along with the application for title and/or registration to the appropriate titling agency. The specific due date for timely filing of each form follows:

- Form ST-556 is due not later than 20 days after the date of delivery of the item sold;
- Form RUT-25 is due not later than 30 days after the date the item is brought into Illinois;
- Form RUT-50 is due within 30 days of the date the vehicle was purchased or acquired by gift or transfer; and
- Form RUT-75 is due no later than 30 days from the date of acquisition or the date the item is brought into Illinois, whichever is later.

When is a receipted copy of my tax form needed?

For Illinois dealers, there are times when you are unable to provide all of the title documents required by the titling agency to complete the title transaction. However, you are still required to file your tax form on or before the specified due date. You may file your tax form and any tax payment directly to us on or before the due date and request a receipted copy of your tax form.

When you have all of the title documents that you need to apply for title and registration, you may submit the receipted copy in place of the original tax form in order to satisfy the titling agency's requirement to verify that the proper tax form has been filed.

For out-of-state leasing companies or dealers, if you file the proper tax form and any tax payment directly to us on behalf of your customer, your customer cannot obtain title and registration in Illinois without having the original tax form or providing proof that the tax has already been filed and paid.

Your customer will need a receipted copy of that tax form to submit to the titling agency when applying for title and registration.

How do I request a receipted copy of my tax form?

You may only request a receipted copy with an original return.

You may request a receipted copy of your tax form either by mail or by visiting one of the offices specified on Page 46.

To request your receipted copy by mail, you must send directly to us Copy 1 of each original tax return and a separate remittance for each tax amount due, along with the following:

- a photocopy of each tax form you want us to receipt,
- a cover letter requesting us to receipt your photocopy, and
- a postage-paid envelope with the address indicating where you want the receipted copy mailed.

We will receipt the photocopy of your tax form at no charge by attaching an orange-colored label to the upper right-hand corner of your photocopy and returning it to you in the postage-paid envelope that you provided.

Mail your request for a receipted copy, along with your tax form and payment, to

ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19042
SPRINGFIELD IL 62794-9042

Receipted Copy Information

If you prefer you may visit one of our offices listed below and request your receipted copy in person. You must bring a cover letter requesting us to receipt your photocopy along with Copy 1 of each original tax return, a separate remittance for each tax amount due, and a photocopy of each tax form you want us to receipt. The Department of Revenue personnel at the following locations will receipt and return to you the photocopy of your tax form.

In Chicago (for Form ST-556 only)

Illinois Department of Revenue
Concourse Level (Secretary of State area)
100 W Randolph Street

Office of the Secretary of State
(Department of Revenue area)
5401 N Elston Avenue

Office of the Secretary of State
(Department of Revenue area)
5301 W Lexington Avenue

Office of the Secretary of State
(Department of Revenue area)
9901 S Martin Luther King Drive

In Springfield (all forms)

Illinois Department of Revenue
101 W Jefferson Street

Note: This receipted copy process was established as a special service when circumstances prevent you from following the normal process of submitting your original tax form with the application for title and registration. **Do not request a receipted copy of your tax form as a general practice of filing your tax forms.**

Can I obtain a receipted copy if I did not request one when I filed my original tax form?

No. You may only request a receipted copy with an original return.

Can I obtain a copy of my return through some other method?

Yes. If you need a copy of your tax form, you must complete and file Form IL-4506, Request for Copy of a Tax Return. We will send you a copy of your tax form. At this time, there is a \$5.00 charge for each copy you request.

Note: If you are requesting a copy of your tax form for the purpose of applying for title and registration, a copy alone will not be accepted in the place of an original or receipted copy. You must also provide a copy of the front and back of the canceled check which paid the tax due on the return.

Do you need additional information or forms?

Visit our web site at: **www.ILtax.com**

Call us at: 1 800 732-8866

Call our TDD (telecommunications device for the deaf) at: 1 800 544-5304

Call our 24-hour Forms Order Line at: 1 800 356-6302

Write us at: ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19044
SPRINGFIELD IL 62794-9044

Help and Resources

The Illinois Department of Revenue issues informational bulletins and various publications that inform and assist taxpayers. Listed below are those that pertain to motor vehicles. You can obtain these publications by visiting our Web site at **www.ILtax.com**, calling our Forms Order line at **1 800 356-6302** or by writing to us at

ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19015
SPRINGFIELD, IL 62794-9010

Informational Bulletins

FY 98-27	Tax Exemptions for Foreign Diplomatic and Consular Personnel
FY 2000-02	Change in Reporting Gross Receipts for ART
FY 2001-18	Tax Exemption for Certain Items Purchased for Lease Ends
FY 2002-02	Sales and Use Tax Exemptions for Certain Leased Property
FY 2004-04	Sales and Use Tax Changes
FY 2004-06-A	Tax on Aircraft
FY 2004-07	Transaction Return Changes
FY 2004-08	Replacement Vehicle Tax Repealed
FY 2004-17	Uniform Penalty and Interest Changes
FY 2004-23	Metro-East Mass Transit District Fee
FY 2005-01	Rolling Stock Exemption Changes
FY 2005-02	CDF Sales Tax Exemption Changes
FY 2005-03	Tire User Fee Information
FY 2005-04	Tax on Watercraft
FY 2005-13	Exemption Change

Publications

PUB-8	General Information Guide for Illinois Taxpayers
PUB 103	Uniform Penalties and Interest
PUB 104	Common Sales Tax Exemptions
PUB-109	Form SOA-1, Statement of Account for Sales Tax
ST-9	Guide for Reporting Sales Using Form ST-556, Sales Tax Transaction Return
ST-23	How to Report Off-Site Sales on Form ST-556, Sales Tax Transaction Return
ST-25	Illinois Sales Tax Rate Reference Manual
PIO-65	Illinois Tax Requirements for Cars, Trucks, Vans, Motorcycles, ATV's, Trailers, and Mobile Homes
PIO-68	Illinois Tax Requirements for Aircraft
PIO-69	Illinois Tax Requirements for Watercraft and Snowmobiles
PIO-88	How to Obtain a Receipted Copy of Form ST-556, RUT-25, RUT-50, or RUT-75

Assistance

We understand that situations will arise periodically that are unique. If you have any questions that are not covered by this reference guide, please contact us at the telephone numbers or address we have listed below.

Visit:

www.ILtax.com

Call:

Springfield office — **1 800 732-8866** or **217 782-3336**;
Chicago office — **312 814-5258** or **312 814-3239**; or
TDD (telecommunications device for the deaf) — **1 800 544-5304**

Write:

ILLINOIS DEPARTMENT OF REVENUE
PO BOX 19015
SPRINGFIELD IL 62794-9015



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